

Claims:

1. An isolated mutant *Ophiostoma* species having enhanced protein excretion capability as compared with its parent strain cultured under similar conditions.
2. The mutant according to claim 1 wherein the *Ophiostoma* species is *Ophiostoma floccosum*.
3. The mutant according to claim 2 selected from the group consisting of mutant strains J2026MQ.1.1, J2026MQ.1.2, J2026MQ.2.1, J2026MQ.3.1, J2026MQ.4.1, J2026MQ.5.1 and J2026MQ.5.5, as herein defined.
4. The mutant according to claim 2 selected from the group consisting of deposit accession numbers NM04/42878, NM04/42879, NM04/42880, NM04/42881, their progeny, and mutants thereof.
5. The mutant according to any one of claims 1 to 4 capable of receiving and harbouring an expression vector and producing a recombinant product.
6. The mutant according to any one of claims 1 to 5 the protein is an enzyme.
7. The mutant according to claim 6 wherein the enzyme is selected from the group consisting of protease, amylase, lipase, glucoamylase, β -galactosidase and β -glucosidase.
8. A mutant *Ophiostoma* species is characterised by:
 - one nucleus per conidium/blastospore;
 - conidia having mean spore size no less than about 2-3 μ m in diameter; and
 - capable of secreting at least about two times more of a selected protein into culture medium when compared to the secretion of the parent strain grown under similar conditions.
9. The mutant according to claim 8 capable of secreting at least about three times more of a selected protein when compared to the secretion of the parent strain grown under similar conditions.
10. The mutant according to claim 8 or 9 wherein the selected protein is a proteinase.
11. Use of a modified fungal species according to any one of claims 1 to 10 in an industrial process selected from the group consisting of pulping, bleaching and recombinant protein production.